

**GALLAGHER & KENNEDY**

P.A.

LAW OFFICES

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL



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May 27, 2009

**HAND DELIVERED**

Docket Control  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

MAY 27 2009

DOCKETED BY	
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Re: *SemStream Arizona Propane, LLC Operations Report;*  
*Docket No. G-00000C-08-0501*

Dear Sir or Madam:

Enclosed are the original and 13 copies of the May 2009 Operations Report for SemStream Arizona Propane, LLC. Your assistance in relation to this matter is appreciated.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By:

Michael M. Grant

MMG/plp  
20474-3/2107077

Enclosure

cc (w/enclosure): Bob Gray, Utilities Division (delivered)  
Wes Van Cleve, Legal Division (delivered)

**Original and 13 copies** filed with Docket  
Control this 27<sup>th</sup> day of May, 2009.

**SemStream Arizona Propane**

200 W. Longhorn Rd.  
Payson, AZ 85541  
928.474.2294

May 27, 2009

Docket Control Office  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

**DOCKET NO. G-00000C-08-0501**

**Re: Monthly Operations Report: May 2009**

This report is filed with the Commission and Staff as a monthly summary reflecting operation status at both the Page and Payson offices as per the above-referenced docket.

**Gas Supply:** Gas is being delivered to both Payson and Page from spot market supply as per business-as-usual basis.

**Gas Pricing:** Last year, as of April 1, 2008, our price per therm was \$.8922. This year, on the same date, the price per therm is \$1.0522, which is an 18% increase.

**Regulatory:** We continue to evaluate the latest changes in propane spot pricing and futures curves for their impact on our filing PGA adjusters for the Payson office and the Page office.

**Office of Pipeline Safety:** The mitigation pipe replacement plan is in the process of being completed. We will then move onto Wade, which is part of our summer system maintenance program. Annual leak surveys have been completed in both Page and Payson. Our annual safety audit has been scheduled for July 7<sup>th</sup> in Page and July 13<sup>th</sup> in Payson.

**Hiring:** We have had no new hiring.

**Billing and Customer Service:** We have had a good response to our new on-line bill pay system (Streamline Pay). To date, we have had 364 customers sign into the system to review their billing history, etc. Of those, 268 (up 139 from last month) have also elected to pay their bills electronically. The electronic payment saves our customers mailing expenses and reduces our handling cost on each bill.

**Bankruptcy Issues:** We have not been impacted by the SemGroup Chapter 11 bankruptcy filing other than communications with our vendors, customers and the Arizona Corporation Commission, to clarify that our part of the company was not involved in the bankruptcy filing.

**Douglas R. Mann, President, SemStream Arizona Propane**